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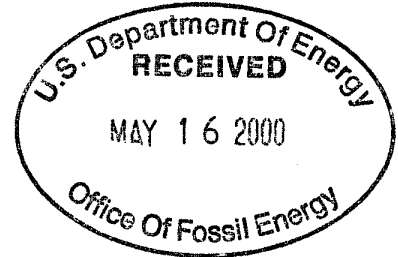
May 16, 2000

CARMEN L. GENTILE
J. MICHEL MARCOUX
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PETER K. MATT
OF COUNSEL

GEORGE F. BRUDER
RETIRED 1997



Ms. Ellen Russell
Senior Electricity Analyst
Office of Electric Power Regulation, FE-27
Office of Fossil Energy
United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-0350

Re: Application by Dominion Resources
for Authorization to Export Electricity

Dear Ms. Russell:

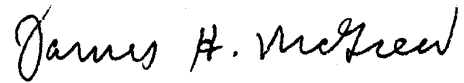
Enclosed please find an original and fifteen copies of an export authorization application filed by Dominion Resources, together with a check for \$1,000.00 payable to the Treasurer of the United States. Dominion Resources is a holding company and makes this application on behalf of two operating subsidiaries, Virginia Electric and Power Company and Dominion Energy, Inc. Virginia Electric and Power Company was previously granted an export license on July 16, 1998 in Docket No. EA-180. Copies of the application have been served on the Federal Energy Regulatory Commission, the Virginia State Corporation Commission and the North Carolina Utilities Commission.

Please date-stamp the two extra copies and return them to the messenger.

Ms. Ellen Russell
May 16, 2000
Page 2

If you have any questions about the application, please feel free to call me.

Very truly yours,

A handwritten signature in cursive script that reads "James H. McGrew".

James H. McGrew

Enclosures

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In the Matter of:

Dominion Resources

)

Docket No. EA- 224

**APPLICATION OF DOMINION RESOURCES
FOR AUTHORIZATION TO EXPORT ELECTRICITY
FROM THE UNITED STATES TO CANADA**

Dominion Resources, pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. § 824a(e) (the "Act") and the Department of Energy ("DOE") regulations at 10 C.F.R. § 205.300, *et seq.*, hereby applies for authorization to export electricity from the United States to Canada on behalf of its subsidiaries, Virginia Electric and Power Company ("Virginia Power") and Dominion Energy, Inc. ("Dominion Energy").

I. BACKGROUND

Dominion Resources is a holding company and makes this application on behalf of two of its operating subsidiaries, Virginia Power and Dominion Energy. The purpose of this Application is to renew Virginia Power's authorization granted by DOE on July 16, 1998 and to obtain a blanket approval to enable Dominion Energy to sell electric energy and/or capacity to Canadian utilities from either their own surplus generation or from purchases on the wholesale market.

Virginia Power is a Virginia corporation having its principal place of business at Richmond, Virginia. Virginia Power owns generation, transmission and distribution

facilities serving retail customers, as well wholesale customers, in Virginia and North Carolina. Virginia Power has an electric tariff on file with the Federal Energy Regulatory Commission ("FERC"), that allows it to sell power at wholesale at market-based rates. Virginia Power also has an Open Access Transmission Service Tariff on file with the FERC under which it provides transmission service to eligible customers in accordance with applicable FERC requirements. Virginia Power was previously granted authorization to export electricity in Docket No. EA-180 by order issued July 16, 1998.

Dominion Energy is an independent producer of power operating in five U.S. states. Dominion Energy sells power on a market basis and has no franchised service territory as does Virginia Power.

Virginia Power and Dominion Energy will have title to any electricity exported to Canada under the license.

II. COMMUNICATIONS

Communications regarding this Application should be addressed to the following:

Michael C. Regulinski, Esq.
Virginia Electric and Power Company
One James River Plaza
701 East Carey Street
Richmond, Virginia 23219
Telephone: (804) 771-4311
Fax: (804) 771-4133

James H. McGrew, Esq.
Bruder, Gentile & Marcoux, L.L.P.
1100 New York Avenue, N.W.
Suite 510 East
Washington, DC 20005-3934
Telephone: (202) 783-1350
Fax: (202) 737-9117

III. JURISDICTION

DOE has jurisdiction over the actions requested to be authorized in this Application pursuant to Section 202(e) of the Act, which makes authorization by DOE a necessary condition for exporting. No other known federal, state or local government has jurisdiction over those actions, except to the extent that Virginia Power and Dominion Energy must comply with applicable FERC requirements in making sales at wholesale.

IV. DISCUSSION OF PROPOSAL

By this Application, Dominion Resources seeks authorization on behalf of Virginia Power and Dominion Energy to export electricity to wholesale purchasers in Canada. Under its current authorization, Virginia Power has made power sales to Ontario Hydro, but Virginia Power and Dominion Energy do not at this time have any power sales agreements in place under which they are exporting electricity to Canada. Virginia Power has transmission service agreements in place in order to export power to Canada, which can be made available to DOE upon request. Dominion Energy does not at this time have such transmission agreements in place.

None of the energy and/or capacity that Virginia Power proposes to sell to Canadian purchasers will be needed to meet the requirements of Virginia Power's native load and firm power customers. Dominion Energy does not have a duty to provide utility-type service in a specific geographic area.

Virginia Power and Dominion Energy propose to export electricity through the border transmission facilities listed in Exhibit C to this Application. Exhibit C also sets forth the entities which operate those facilities and the Presidential Permits under which

the facilities were constructed and maintained. Virginia Power and Dominion Energy understand that arrangements to transmit energy to the international border requires them to enter into transmission service agreements with transmission providers, and that such agreements are separate and apart from the granting of this Application.

Dominion Resources, on behalf of Virginia Power and Dominion Energy, seeks to renew Virginia Power's authorization and to obtain for Dominion Energy authority to engage in open-ended transactions to export electricity to Canada under terms and conditions to be negotiated in the future. In particular, DOE recently granted similar authorization to another investor-owned utility, Commonwealth Edison Company, docket No. EA-169 (February 19, 1998). The following discussion demonstrates that Virginia Power and Dominion Energy satisfy the findings that DOE is required to make to grant the requested authorization.

DOE must evaluate the reliability impacts of the proposed export. Specifically, DOE must find that the proposed export will not impair the sufficiency of electric supply within the United States and that it will not impede the coordinated use of regional transmission facilities. As DOE has noted, it "has always used a flexible approach in determining the information necessary to evaluate reliability impacts for specific export proposals." Order No. EA-150, Mimeo at 3. Virginia Power's proposed exports will not impair the sufficiency of the U.S. electric supply because, as noted above, such exports will come from energy and/or capacity not needed to supply the requirements of native load or firm wholesale customers. As such, Virginia Power is similarly situated to Commonwealth Edison Company and to various power marketers which have

previously been authorized to export electricity by DOE. For its part, Dominion Energy does not have a franchised utility obligation to provide a specific service.

As to the burden on regional transmission facilities, DOE has previously found that existing technical studies are adequate to support such authorization "provided the maximum rate of transmission for all exports through a border system does not exceed the previously authorized limit of the system." *Id.* Because Virginia Power and Dominion Energy cannot export electricity via transmission facilities they own, they will purchase transmission service from the providers listed on Exhibit C, who will only provide such service in accordance with their export licenses. Thus, Virginia Power and Dominion Energy will necessarily comply with established industry operating standards. To the extent that such transmission providers have restrictions on their export licenses, such as a cap on the amount of energy that may be transmitted, Virginia Power and Dominion Energy will comply with such restrictions. With respect to non-jurisdictional transmission providers, DOE has used information provided by such entities or made available in public filings as a basis for granting such authorization (*id.* at 4), and Dominion Resources requests that DOE follow this precedent in ruling on this Application.

Dominion Resources recognizes that DOE has in the past conditioned approval of export applications, and Dominion Resources agrees to abide by these conditions.

V. EXHIBITS

Exhibit A - (Not Applicable). Currently there is no agreement with any Canadian utilities to export electricity. Dominion Resources is seeking a blanket approval for contracts to be negotiated in the future by its two subsidiaries.

Exhibit B - Legal Opinion of Counsel

Exhibit C - Electric System Description and list of all proposed border facilities

Exhibit D - (Not Applicable)

Exhibit E - (Not Applicable)

Exhibit F - (Not Applicable). See Part IV above. Neighboring utilities may be informed of any excess capacity and energy by participating in the competitive wholesale markets in the relevant areas.

Exhibit G - Actual System Peak Load and Capacity (1995-99) (Virginia Power)

Exhibit H - Capacity and Demand Forecast (2000-2009) (Virginia Power)

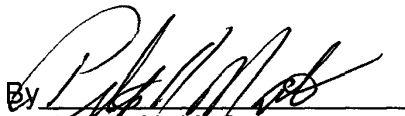
Combined Exhibits G and H for Dominion Energy

VI. CONCLUSION

For the reasons stated above, DOE should grant Dominion Resources blanket authorization, on behalf of its two subsidiaries, to export electricity from the United States to Canada, as discussed above.

Respectfully submitted,

BRUDER, GENTILE & MARCOUX, L.L.P.

By 

James H. McGrew
Peter K. Matt

Michael C. Regulinski
Virginia Electric and Power Company
One James River Plaza
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Attorneys for Dominion Resources

May 16, 2000

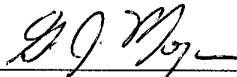
AFFIDAVIT

COMMONWEALTH OF VIRGINIA)
) ss
COUNTY OF HENRICO)

I, Gregory J. Morgan, being first duly sworn, deposes and states:

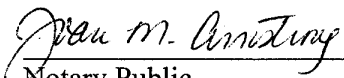
1. My name is Gregory J. Morgan, I am Director – Energy Marketing of Virginia Electric and Power Company.

2. I have knowledge of the matters set forth in the foregoing Application of Virginia Electric and Power Company and Dominion Energy, Inc. for Authorization to Transmit Electric Energy from the United States to Canada. I hereby verify that the factual assertions contained in that Application are true and correct to the best of my knowledge and belief.



Gregory J. Morgan
Director – Energy Marketing
The Wholesale Power Group
Virginia Electric and Power Company

Sworn and subscribed before me this
15th day of May 2000.



Notary Public

My commission expires:

3/31/2004

EXHIBIT A

(Not Applicable)

EXHIBIT B

(Opinion of Counsel)

BRUDER, GENTILE & MARCOUX, L.L.P.

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GEORGE F. BRUDER
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E-MAIL: jhmcgrew@brugen.com

May 16, 2000

Mr. Anthony Como
Director, Office of Coal and Power Import and Export
Office of Fossil Energy
Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: Export License for Dominion Resources

Dear Mr. Como:

As counsel to Virginia Electric and Power Company ("Virginia Power") and Dominion Energy, Inc. ("Dominion Energy"), I have been asked to provide an opinion pursuant to 10 C.F.R. § 205.303(b) with respect to Dominion Resources' application for authorization to export electric energy to Canada. I am one of Virginia Power's and Dominion Energy's outside counsel, and I represent Virginia Power and other utilities before the Federal Energy Regulatory Commission.

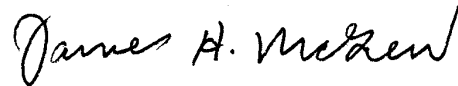
I have read the foregoing application, and I am generally familiar with federal laws governing the sale for resale of entities like Virginia Power and Dominion Energy. Based on the foregoing, it is my opinion that:

1. There is no impediment under federal law to Virginia Power's and Dominion Energy's exporting electricity to Canada.
2. Following the issuance of the export license requested by Dominion Resources in the foregoing application, Virginia Power and Dominion Energy will have complied with the federal laws required to permit such export of electricity.

Mr. Andrew Como
May 16, 2000
Page 2

This opinion is limited to the laws of the United States as they exist at the date set forth above; I express no opinion as to the law of any other jurisdictions. This opinion is rendered solely to you in connection with the above-mentioned matter. This opinion may not be relied on by you for any other purpose or relied upon or furnished to any other person without my prior written consent.

Sincerely,

A handwritten signature in cursive script that reads "James H. McGrew". The signature is written in dark ink and is positioned above the printed name.

James H. McGrew

**McGUIREWOODS
BATTLE & BOOTHE LLP**

One James Center
901 East Cary Street
Richmond, Virginia 23219-4030
Telephone/TDD (804) 775-1000 • Fax (804) 775-1061

Edward L. Flippen
eflippen@mwbb.com

(804) 775-4380 (phone)
(804) 698-2019 (fax)

May 15, 2000

Mr. Anthony Como
Director
Office of Coal and Power Import and Export
Office of Fossil Energy
Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Export License for Virginia Electric and Power Company and Dominion Energy, Inc.

Dear Mr. Como:

As counsel for Virginia Electric and Power Company ("Virginia Power") and Dominion Energy, Inc. ("DEI"), I have been asked to provide an opinion pursuant to 10 C.F.R. § 205.303(b) with respect to Virginia Power's and DEI's proposal to export electric energy to Canada as described in the foregoing Application of Virginia Electric and Power Company for Authorization to Transmit Electric Energy from the United States to Canada.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments, and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing and subject to the qualifications set forth below, I am of the opinion that:

1. Virginia Power and DEI have the corporate authority to export electricity to Canada as described above.
2. Following adherence to all necessary federal requirements, Virginia Power and DEI will be in compliance with all pertinent state laws.

The opinions herein expressed are limited to matters governed by the laws of the Commonwealth of Virginia, as they exist at the date hereof, and we express no opinion as to the law of any other jurisdiction.

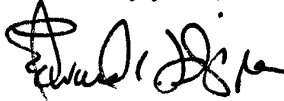
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Mr. Anthony Como
May 15, 2000
Page 2

This opinion is rendered solely to you in connection with the above-mentioned matter. This opinion may not be relied on by you for any other purpose or relied upon or furnished to any other person without our prior written consent

Sincerely yours,

A handwritten signature in black ink, appearing to read "Edward L. Flippen", with a stylized flourish at the end.

Edward L. Flippen

ELF/gb

EXHIBIT C

TRANSMISSION LINES TO BE USED TO EXPORT ENERGY

<u>Presidential Permit Holder</u>	<u>Permit Number</u>	<u>Voltage</u>	<u>Location</u>
Basin Electric Coop.	PP-64	230 kV	Tioga, ND
Bonneville Power Admin.	PP-10	2-500 kV	Blaine, WA
	PP-36	230 kV	Nelway, WA
	PP-46	230 kV	Nelway, WA
Citizens Utilities	PP-66	130 kV	Derby Line, VT
Detroit Edison	PP-36	345 kV	St. Clair, MI
	PP-21	230 kV	Marysville, MI
		230 kV	Detroit, MI
	PP-58	345 kV	St. Clair, MI
Eastern Maine Electric Coop.	PP-32	69 kV	Calais, ME
Joint Owners of Highgate	PP-82	345 kV	Franklin, VT
Maine Electric Power Co.	PP-43	345 kV	Houlton, ME
Maine Public Service	PP-12	69 kV	Limestone, ME
		69 kV	Ft. Fairfield, ME
	PP-29	138 kV	Arostock, ME
		2-69 kV	Madawaska, ME
Minnesota Power & Light	PP-78	115 kV	International Falls, MN
Minnkota Power	PP-61	230 kV	Roseau County, MN
New York Power Authority	PP-30	230 kV	Devil's Hole, NY
	PP-74	2-345 kV	Niagara Falls, NY
	PP-56	765 kV	Fort Covington, NY
	PP-25	2-230 kV	Massena, NY
Niagara Mohawk Power Corp.	PP-31	230 kV	Devil's Hole, NY
Northern States Power	PP-45	230 kV	Red River, ND
	PP-63	500 kV	Roseau County, MD
Vermont Electric Trans. Co.	PP-76	450 kV DC	Norton, VT

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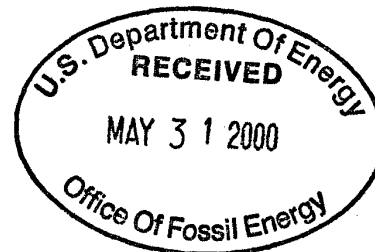
May 31, 2000

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RETIRED 1997



Ms. Ellen Russell
Senior Electricity Analyst
Office of Electric Power Regulation, FE-27
Office of Fossil Energy
United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-0350

Re: Application by Dominion Resources for Authorization
to Export Electricity, Docket No. EA-224

Dear Ms. Russell:

Dominion Resources filed an application on May 16, 2000 for authorization to export electricity to Canada. The purpose of this letter is to supplement the May 16, 2000 application by adding another border facility to Exhibit C, as follows:

Long Sault, Inc. PP-24 115 kV Massena, New York

We are sending an original and fifteen copies of this letter. Please date-stamp and return the two extra copies to the messenger. Please call me if you have any questions about this letter.

Very truly yours,

James H. McGrew
James H. McGrew

cc: Michael Regulinski, Esquire

EXHIBIT D

(Not Applicable)

EXHIBIT E

(Not Applicable)

EXHIBIT F

(Not Applicable)

EXHIBIT G

(Actual System Peak Load and Capacity, 1995-99
for Virginia Power)

<u>YEAR</u>	<u>PEAK LOAD (MW)</u>	<u>CAPACITY</u>
1995	14,003	16,906
1996	14,910	17,902
1997	14,537	18,397
1998	15,399	18,150
1999	16,216	18,157

EXHIBIT H

(Load and Capacity Forecast, 2000-2009
for Virginia Power)

<u>YEAR</u>	<u>EXPECTED PEAK LOAD (MW)</u>	<u>TOTAL CAPACITY</u>
2000	16,014	18,016
2001	16,370	18,416
2002	16,524	18,590
2003	16,682	18,767
2004	16,040	18,045
2005	16,245	18,276
2006	16,536	18,603
2007	16,833	18,937
2008	17,115	19,254
2009	17,368	19,539

COMBINED EXHIBITS G AND H

Dominion Energy

Dominion Energy is not a utility with a duty to provide service in a particular geographic area. Unlike such utilities, Dominion Energy does not have a reserve margin required by a regulatory agency. Dominion Energy sells what it generates pursuant to contracts with buyers. The following numbers show the peak sales for the units owned by Dominion Energy for the years 1995 through 1999. As an independent producer and seller of power, its system load equals its system capacity:

Peak Load and Capacity

1995	1,422 MW
1996	1,472 MW
1997	1,497 MW
1998	1,511 MW
1999	2,132 MW

For purposes of making a ten-year forecast, the most prudent prediction of sales is the 1999 actual number shown above. Any future sales will depend upon many factors, including competition, the general economy, performance of its generation units, and the relevant markets for power.